

DRAFT THE ENVIRONMENTAL WATER ACCOUNT CONCLUSIONS TO DATE AND AN IMPLEMENTATION PLAN

July 28, 1999

This paper sets forth conclusions to date regarding creation of an Environmental Water Account. Important issues are identified. An approach for implementing the Environmental Water Account in year 2000 is described.

I. CONCLUSIONS

A. General

1. *The Environmental Water Account would generate assets through sharing project facilities including surface storage capacity, groundwater storage, and capacity in pumping plants and canals with water users. In addition, assets can be purchased from a wide variety of potential sources using allocated funds. Assets would include options for future purchase and efficiency or reuse measures by water users. The acquisition of assets for the EWA is one of the most important issues facing implementation and would require extensive additional analyses, negotiations, and testing.*
2. *The EWA increases the efficiency of fish protection per degree of water export and deliveries from the Delta, and visa-versa.*
 - ~~*"South Delta improvements," consisting of increased permitted pumping capacity at the Banks Pumping Plant, and joint use of Banks and Tracy Pumping Plants would be key features of the Environmental Water Account.*~~
 - ~~*Screened intakes remote from and directly connected to Delta pumping plants are especially useful.*~~
3. *In the early stages of the Environmental Water Account, funds to purchase water are essential because new facilities with EWA shares will have not been developed. Water purchases may gradually decline as assets are developed through Stage 1. The availability of assets early in Stage 1 and potential adverse effects of purchases on water markets are a concern.*
4. *Numerous innovative options for use of Environmental Water Account assets have yet to be fully evaluated relative to their effectiveness in meeting objectives. Early in Stage 1 it*

is likely that assets will be used to evaluate the various options and that allocation may then be adjusted based on results of these experiments.

5. *It is unlikely that enough Environmental Water Account assets will be available in Stage 1 to provide both the desired fishery and water supply benefits. Considerable uncertainty remains as to the potential benefits and effectiveness of an EWA particularly given unforeseen meteorological, biological, and other future events. ~~desired by agricultural and urban users of water exported from the Delta.~~*
6. *The burden for fish population recovery should not be solely that of the EWA. The EWA with other CALFED and CVPIA program elements (e.g., Ecosystem Restoration Program and Anadromous Fish Restoration Program) would combine to provide the desired level of recovery.*
7. *Considerable disagreement exists on the level of existing and future environmental protections in the Delta and the need and priority for the Environmental Water Account because of differences in interpretations and evaluations of available scientific information. However, hypotheses regarding these differences have been clearly described, and while some could be analyzed within the next several months, most will require additional field experiments or long-term monitoring for resolution. A process to test and resolve disagreements is under development.*

B. Specific

1. The Environmental Water Account could provide significant fish population benefits.

Using model simulations DNCT demonstrated that using EWA assets or capabilities to ~~severely~~ reduce exports at key times significantly reduced salvage of ~~all races of~~ chinook salmon from the Sacramento River and the San Joaquin River systems, as well as delta smelt, splittail, and steelhead. DNCT assumed that reduced salvage would translate to population benefits. In addition, actions involving increased flows in rivers and through the Delta could ~~tikely~~ further benefit fish, especially ~~The most significant benefits were to delta smelt and San Joaquin fall-run chinook salmon.~~

2. The EWA would be more effective on an AF per AF basis than prescriptive standards approach in reducing fish salvage.

The EWA provided actions at time when prescriptive standards did not, and thus was able to reduce salvage at key times compared to prescriptive standards. While overall salvage may have been lower under prescriptive standards for some species, the prescriptive standards used substantially more water to accomplish the same level of salvage reduction provided by the EWA. Further evaluation is necessary to determine "real" differences in efficiencies of the two approaches.

3. Various assets (e.g., surface water storage south of the Delta) provided greater value

than others.

South of Delta storage either a collateral or debt was most useful for reducing exports when fish salvage risks were high. However, because subsequent repayment of debt was not without risks to fish, it was more desirable to have assets available rather than assume debt. North of Delta storage was not always available to repay debt in San Luis Reservoir before the summer low-point. Ground water resources south of Delta were likewise not sufficiently "liquid " to repay debts before the summer low-point. In-Delta storage if connected directly to project pumping plants is of similar value as south of Delta storage. If connected directly to the pumping plants, in-Delta storage has the added benefit of being able to move water to south of Delta storage when exports are otherwise restricted.

- 4. There were synergies between Delta and Upstream actions such that the aggregate benefits were greater than the sum of individual benefits, with the same or lesser water costs.**

Often upstream actions provided additional benefits in the Delta in the form of extra Delta inflow (when not needed to meet outflow requirements) that could be captured as EWA storage in In-Delta storage or South of Delta storage for later use or for immediate repayment of debt.

- 5. Application of the EWA at times did provide incidental benefits to water supply and export water quality.**

Export water quality benefitted at times from EWA actions that increased Delta inflow and outflow. One such time was during the February-March dissolved organic carbon peak in the Delta. Water supply also benefitted from incidental changes to existing export constraints and storage of EWA assets in project facilities (e.g., EWA water stored in San Luis reservoir at times provided benefits to the low-point problem).

II. PROBLEMS/ISSUES/CONSTRAINTS

- 1. EWA actions generally did not alleviate baseline-caused shortages in water supply goals of up to several hundred thousand acre-ft in critical years and lesser amounts on average in other years. EWA actions may have limited the ability of projects to make up shortages caused by baseline constraints.**

Export constraints from implementing EWA actions limited exports allowed under various baseline scenarios such that target deliveries for water supply were shorted as much as 300-400 TAF per year in critical periods and 100-200 TAF per year average over 73-year simulation. Shortages were defined on the basis of higher demand levels than recent historical levels. Simulated water supply actually increased over historical conditions. Simulations to evaluate other balances of water supply goals and fishery benefits have not been conducted to date.

- 2. Shifts in export patterns to reduce fish salvage would have mixed effects on urban water quality.**

Reductions in February and March exports could result in lower dissolved organic carbon in urban water supplies. Higher summer and fall exports could increase salt concentrations of export water.

3. **EWA constraints on exports at times took on such rapid and substantial debts in San Luis Reservoir (up to several hundred TAF per month) that the ability to repay debt was in doubt and the summer low-point in San Luis was put at risk as was the next year's water supply.**

EWA directed export reductions particularly after the VAMP period in wet years resulted in substantial debt being carried into the summer. The debt was particularly substantial in the cases where it was derived from limiting the expanded Banks capabilities. In some simulations the combined export capacity reached 21,000 cfs (including In-Delta storage), which if constrained by taking on EWA debt in San Luis resulted in rapid and substantial debt. Adding VAMP to EWA's responsibility further burdened the EWA.

4. **Higher demands-deliveries and resultant higher exports than historical levels used in the DWRSIM simulations caused a significant additional burden on the EWA.**

In the simulation the EWA was forced to deal with greater than historical levels of exports, which burdened assets of the account and reduced the potential effectiveness of assets in the account to provide protections to fish. Higher exports also reduce the ability of the EWA to gain assets, essentially competing with the projects for facilities capacity and available water. While some DNCT participants felt that comparison with historical levels amounted to comparison of "apples and oranges", others felt that the EWA may be dealing with higher demands and exports in the future and that the simulations are realistic - and the problem is real.

5. **Uncertainties relative to the benefits and impacts of EWA actions**

Given uncertainties in whether actions provided the desired level of fish protection, it is difficult to state categorically that the EWA would be effective. There are tradeoffs in the use of the EWA. Given the asset mix used in simulations and the specific actions and levels employed, the EWA was not capable of satisfying all water supply and fish protection objectives.

6. **Potential impacts of EWA on water transfers market.**

EWA in combination with CVPIA and ERP activities in the water transfers market could cause changes to the market to the detriment of some or all who depend upon that market.

7. **Baseline conditions and base of prescriptive standards from which the EWA operates.**

EWA actions and performance vary with the baseline conditions including the level of prescriptive standards. Some resolution on the baseline is considered essential by some to effectively designing and evaluating the EWA.

8. **Allocation of project assets to EWA during Stage 1.**

EWA performance and effectiveness varied with the level of assignment of project assets to the EWA. Generally the more assets assigned, the more effective, the less uncertainty in EWA performance, and the less risk or debt assumed. However, ancillary effects on project operations and potential

risks to water supply were higher with greater allocation of project assets to the EWA.

9. Monitoring necessary for effective implementation of the EWA will be costly and logistically difficult

Monitoring will have to provide accurate information on the natural variability in the timing and distribution of migratory and resident fish if the EWA is to be effective in using assets for fish protection. The ability to achieve the necessary level of monitoring resolution for rare species or subpopulations is uncertain.

III. STEPS IN IMPLEMENTATION

A. Resolving Issues

1. **Lack of Water Supply Benefits** - EWA along with various CVPIA (AFRP, b(2), b(3), and Trinity) and ERP actions constrain water supply benefits - various assets could be added to the CALFED mix to provide additional water supply:
 - a. In-Delta Storage - Webb and Bacon complexes could add several hundred TAF of water supply assets.
 - b. Relaxation of existing standards could add additional supply.
 - c. A portion of the expanded Banks capacity and relaxing restrictions on such use.
 - d. Additional north and south of Delta surface and ground water storage.
 - e. Additional water transfer capabilities.
 - f. Making In-Delta AFRP requirements the responsibility of the EWA rather than water contractors.
2. **Water Quality Effects** - responsibility for any water quality effects caused by EWA actions should be resolved. Specifically, shifts in export timing that result in a decline in average or specific delivered water quality should be mitigated.
3. **EWA Debt in San Luis** - there are several measures to limit EWA debt in San Luis.
 - a. EWA should not be burdened with debt of restrictions on use of expanded Banks.
 - b. Increasing groundwater assets south of Delta and the potential rate of extraction of ground water assets.
 - c. Ability to shift demands from before summer low-point to after low-point. Options include transfers, borrowing MWD storage, paying farmers to pump groundwater rather than demand surface water, etc.
 - d. Providing EWA a share in expanded Banks capacity to be used at the discretion of EWA to repay debt in San Luis or further reduce exports.
4. **Water Supply Demands** - an appropriate level of water supply demands must be set before determination of the size and assets of the EWA are established. If demands are set to increase during Stage 1, then the size of the EWA and its assets should increase as well.
5. **Additional Simulations and Analyses** - Conducting additional simulations will help resolve uncertainties as to EWA function and effectiveness.
6. **Analysis of Technical Issues** - Conducting additional analyses of technical issues will further help to resolve issues relating to priorities of EWA asset use and uncertainties relative to effectiveness of actions toward helping toward recovery of ESA species.

B. Developing EWA Assets

1. **Share in Expanded Banks** - to be effective the EWA should receive a share in the water supply generated from expansion of the pumping capacity of the SWP Banks Pumping Plant.
2. **Access to Project Facilities** - to be effective the EWA should have access to project facilities to move and store water when necessary. At a minimum the EWA should be allowed access and use of surplus capacity.
3. **Ability to Adjust Upstream Project Operations** - to be effective and efficient the EWA should have upstream assets and capabilities including ability to retain EWA water in upstream storage, borrow water in upstream storage, and release water from upstream storage to effect changes in the Delta. This would require cooperation or integration with CVPIA and projects' water management system.
4. **Ability to assume (take-on) debt** - to be effective the EWA needs an ability to borrow water or take on debt in San Luis and upstream project reservoirs. The amount of credit could be tied to the extent of EWA assets (e.g., water held in surface storage or groundwater, or money accounts) as well as existing or future forecasted system conditions (e.g., water storage, inflows, snow pack, etc.)
5. **Real Assets** - to be effective the EWA needs real assets. The EWA storage, pumping, and conveyance assets must be secured and agreements must be developed with the owners of those assets concerning payment for and operation of the assets. Agreements or contracts must be executed for water transfers (including options), efficiency, and reuse assets of the Environmental Water Account. For example: water assets could be in the form of contracts with the projects. Other assets would include guaranteed funding through appropriation, user fees, etc. Other guarantees may include contracts or rules for access to and use of project facilities. Guarantees may also include water rights or exemptions from water quality standards for specific actions.

C. Operational Capabilities, Governance, and Rules

1. **EWA Entity** -
 - a. The EWA contracting entity must be identified.
 - b. Its relationship to the governance structure must be spelled out.
 - c. The structure for governing the EWA must be developed.
 - d. If existing agencies are going to govern, agreements must be negotiated between these agencies. If the contracting entity differs from the governance structure, an agreement must be negotiated between the governance structure and contracting entity.
2. **Decision Making** - The decision-making process for the EWA must be developed, including the rules governing operation of the EWA and the roles of various stakeholders, the water project operators, and the CALFED Ops Group.
 - a. The relationship between the EWA and state and federal water project operation must be determined.
 - b. If there is to be an EWA manager, this person's job description must be developed, the individual must be selected, and arrangements must be made for his or her employment.
 - c. If the EWA uses both state and federal facilities, DWR and USBR must develop an agreement on the sharing of those facilities and EWA water supply effects.

3. **Additional Infrastructure** - Agreements must be developed and permits must be obtained for South Delta improvements.
4. **In-Delta Storage** - If in-Delta storage is to be part of EWA, drinking water issues concerning storing water on Delta islands must be resolved.
5. **Regulatory Constraints on EWA** - The degree to which operation of the EWA satisfies existing and future regulatory requirements must be determined.
6. **Water Purchase and Transfer Market** - The effect of EWA (and ERP and CVPIA) water purchase and transfer actions on other water market activities must be evaluated and, if this evaluation shows that problems will occur, those problems must be resolved.
7. **Coordination of EWA with CVPIA and ERP** - The EWA must be coordinated or integrated with the ERP. If attempts to develop this coordination reveal problems, these problems must be resolved.
8. **Stakeholder Buy-In** - A negotiating structure is needed to ensure that key agency and stakeholder representatives buy-in to the EWA. This negotiating structure could oversee the resolution of issues listed above and integrate the results into a coordinated EWA.

IV. Negotiation Issues

- **Define default operating requirements.** Define the flow, water quality, diversion, and storage rules that will govern operations in the absence of action by the EWA. Existing defaults include the X2, E/I ratio, and Shasta carryover requirements. Default rules could change in the future. For example, COE requirements currently limit Banks pumping to about 6.6 kcfs during most circumstances. However, as part of the CALFED Program, the limits on Banks pumping might be relaxed. Such a relaxation would create a new default.
- **Define new Stage 1 assets and divide them between the EWA and the water users.** Assets are physical, institutional, and financial mechanisms for modifying water operations. Possible assets include: (1) rights to a share of allowable diversions; (2) rights to a share of conveyance capacity; (3) rights to a share of storage capacity; (4) the right to grant variances to default operating requirements; and (5) contracts for water deliveries or purchases. Implicit is the notion that usable assets must be backed by adequate financial resources. As an example, the right to increased Banks pumping might simply increase SWP assets, or the right (the asset) could be shared with the EWA. Coupled to JPOD, the increase in Banks pumping might also represent a new asset for the CVP. A key issue will be the form of relationship between b(2) water management program of the CVPIA and the EWA. ~~Can b(2) water be operated within or in coordination with the EWA?~~ The most obvious solution would be integration of the two programs.
- **Define the relationship between the EWA and the state and federal projects.** A large percentage of EWA actions will affect or utilize state and federal facilities. The relationship between EWA and the Projects should, therefore, be spelled out in detail. ~~What rights does the EWA have to use surplus capacity?~~ The EWA should be provided access to project facilities. ~~What priority do EWA operations have compared to water transfers or the delivery of unscheduled water?~~ The EWA should be assigned priorities relative to other uses of facilities including water transfers and deliveries of scheduled and unscheduled water. ~~How~~

~~will the costs of EWA operations be calculated? Cost of EWA use of facilities or indirect effects to water users or operators should be developed. How much debt will EWA be allowed to take on at various location? Limitations on the EWA assuming various types of debt should be developed. Sources of collateral and debt repayment schemes and procedures should be developed. How much debt will the EWA be allowed to carryover into succeeding water years? What are the repercussions if the EWA cannot repay a debt in a timely manner?~~

- **Decision making and the Relationship to ESA and CVPIA agencies.** The EWA Mission. The governance of the EWA will be heavily determined by the EWA's role within the broader CALFED solution. ~~Is the primary goal of the EWA - to enhance general ecosystem conditions and processes, and Or is the primary goal to protect and enhance endangered species. Governance will also involve asset allocation and debt payment. Will the EWA be required to find replacement water for some or all ESA actions? Or will the~~ The EWA should be part of a "no surprises" regulatory assurance and be used as a substitute for separate EWA-type actions. ~~Will The EWA should also have upstream responsibilities or be confined to as well as in the Delta.~~
- **Financing.** The EWA must have a reliable revenue stream. Sources and form of distribution will need to be defined and developed prior to implementation. ~~How will that revenue be provided? Who will provide the revenue?~~

V. A Sample Solution

1. **Essential EWA Assets**
 - Funds - \$40-60M at start of Stage 1; \$30-50M at end of Stage 1
 - Water purchases or options -
 - up to 100 TAF in Sacramento River system
 - up to 150 TAF in San Joaquin River system
 - up to 250 TAF in export area
 - Authority/ability to vary standards - at a minimum the E/I standard
 - Adequately screened project south Delta diversions
 - Joint Point of Diversion without restrictions
 - Access to storage capacity
 - North of Delta project reservoirs
 - San Luis Reservoir
 - In-Delta storage with additional screened diversion capacity above that of projects
 - Expanded Banks export capacity with a portion allocated to EWA.
 - 8,500 cfs capacity in early Stage 1
 - 10,300 cfs by end of Stage 1
 - Access to and share in at least 600 TAF of groundwater storage SOD with facilities capable of providing recharge and extraction rates of 20TAF/month.
 -

2. Operating requirements.

- Default operating requirements. Existing regulatory requirements. Relaxation of COE requirements on Banks pumping as south Delta improvements are implemented. AFRP flows not part of default baseline.
- Stage 1 assets. Over the course of Stage 1, the following assets come on line:
 - o b (2) water is incorporated into the EWA.
 - o The EWA and the SWP share rights to part of expanded Banks pumping capacity.
 - o The EWA gains rights to unused state and federal pumping, conveyance and storage capacity.
 - o The EWA and the SWP share rights to new Delta storage.
 - o The EWA, through contract, acquires water purchase and groundwater storage rights in various locations.
 - o JPOD is implemented.
 - o The EWA gains the right to grant export variances in order to export EWA water.
 - o The EWA gains to right to allow variances to the X2 standard in any given month, but must assure that average February - June X2 does not move upstream.
 - o CALFED investments in urban efficiency (conservation and reclamation) are tied to a requirement to deliver a portion of the water saved during wetter than average years to the EWA.
 - o The EWA is funded most heavily during early years, with funding tapering off to the extent that new non-market assets with lower operating costs come on line.
- The relationship between the EWA and the state and federal projects. State and federal operations have the highest priority access to state and federal facilities, including the delivery of unscheduled water. Next in priority will be a limited capacity reservation for market purchases (e.g., 60 TAF/month during the summer). The EWA will have the next priority for unused capacity. Finally, other transfers will have the lowest priority. However, EWA has the highest priority for its share of new Banks capacity and may sell access to this capacity. EWA may carry debt as long as the likelihood of a water consumption impact on water users remains below 5%. Any impact on water consumption patterns will be reimbursed by the EWA at the rate of \$1000/AF.
- Decision Making and the Relationship to ESA and CVPIA agencies. The EWA Mission. EWA will balance the need to provide protection for ESA species with the need to support ecosystem functions, non ESA species, and the CVPIA fish doubling requirements. EWA will be required to reserve and, if necessary, allocate a portion of its assets for the protection of endangered species above all other priorities. If impacts occur beyond this level, the EWA will be responsible for repayment (via water or money) of 50% of the impacts. The second priority is meeting CVPIA anadromous fish doubling requirements. Other priorities may be specified. However, the EWA will retain flexibility to determine needs on a real time basis to the extent possible. The EWA will be governed by a Board of Directors composed of the fish agencies, the state and federal

projects, and stakeholder groups. The Board will hire an executive director and delegate considerable operational discretion to the manager, within limits established by the Board.

- **Financing.** The EWA will be funded at \$50 million per year initially, declining to \$40 million per year as new infrastructure comes on line. Water users will pay user fees into the account, in recognition of the EWA responsibility to buffer the impacts of ESA actions. Additional funding will come from the state and federal governments. Capitol costs and the cost of CALFED's efficiency incentives will not come out of EWA funds.

3. EWA Functions

EWA must be able to:

- *Make rapid decisions*
- *Be able to gain near instantaneous E/I variances.*
- *Gain near instantaneous access to surplus capacity in state and federal facilities.*
- *Analyze near real-time monitoring data on species distributions.*
- *Generate and expend water, and carry secured debt.*
- *Write contracts for water purchases and storage leasing.*
- *Pay for EWA activities.*
- *Be responsive to ESA needs.*
- *Be accountable to the stakeholders and the public.*
- *Begin planning during 1999.*

Implications for EWA Structure

Given the short timeline, existing institutional arrangements must be used to the extent possible. Fortunately, the machinery exists to carry out all of these activities, provided that the CALFED agencies cooperate with each other. In the long term EWA operations should probably become institutionalized via legislation and contracts. The EWA needs described above imply the following:

1. *The need for rapid decision making implies that the EWA needs a full time manager, supported by agency staff and/or consultants, reporting directly to a small management group. The manager, in consultation with the management group should plan for likely biological contingencies, recommend the appropriate allocation and use of EWA assets, see that needed contracts are written, monitor biological monitoring data, alert the management team to biological problems and opportunities, etc.*
2. *The need for near instantaneous E/I variances implies that the management of the EWA should be under the auspices of the Ops Group. Only the Ops Group has explicit*

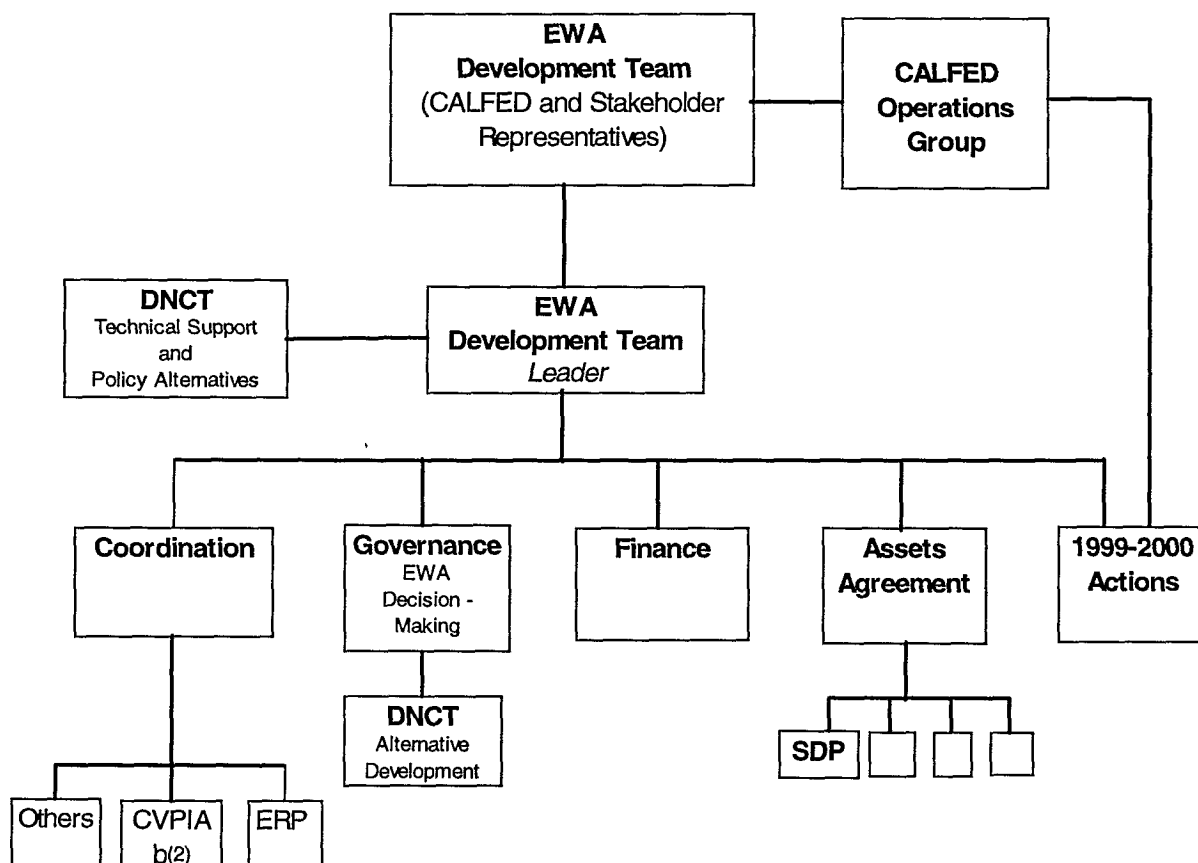
- authority to grant E/I variances (subject to SWRCB veto).*
- 3. The need to acquire and expend water and to carry debt implies the need to develop accounting and operating criteria before the EWA begins operations.*
 - 4. The need for near instantaneous access to state and federal surplus capacity implies that the projects must be part of the management group.*
 - 5. The need to be responsive to ESA needs implies that state and federal fishery agencies must be part of the management group.*
 - 6. The need to pay for activities and to purchase water implies that the EWA should be granted adequate financial resources before beginning operations and should be able to carry over a financial reserve across years.*
 - 7. The need for access to near real-time biological monitoring data implies that some ability on the part of the EWA to direct IEP activities.*
 - 8. The need to negotiate and contract for water and storage services implies the EWA must be able to call upon existing state and federal water purchase personnel or must contract with private water brokers.*
 - 9. The need for accountability to the stakeholders and the public implies the need for reporting to CALFED via the Ops Group and to the public, either through BDAC or through the ecosystem roundtable.*

VI. EWA Development Team

An EWA Implementation Development Team (EWADT) will be formed to address the issues associated with implementing the EWA. This team's responsibility is to develop the EWA that will be implemented after the CALFED's federal Record of Decision.

The general EWADT organization is show below:

CALFED Environmental Water Account Development Team (EWADT)



EWADT- Includes CALFED Policy and stakeholder representatives. This team, with the support of the DNCT, will develop the information needed for negotiations on the mix and size of assets, governing rules, possibilities of use, potential contracts, and finance. The Team will also develop a detailed strawman EWA to serve as a starting point for negotiations and the negotiation process to be used. Once the EWA is developed the Interim Governance Structure as outlined in the Governance Plan will implement the EWA.

EWADT leader- CALFED will assign a full time person to work with the EWADT and DNCT to develop the EWA. The leader will ensure coordination CVPIA, b(2), ERP and

Others. The leader will also work closely with the implementation coordinators of the CALFED Programs, such as the South Delta Program. The leader recommends needed agency liaisons and asset allocation, operations, and funding needs beginning with the fall of 1999.

DNCT- DNCT will provide the Technical support and develop Policy Alternatives for the EWAIDT. They will; 1) provide a list of potential assets, 2) work with the technical teams to provide input on how decisions are made to use EWA assets, 3) develop tools to analyze sharing, frequency, availability and reliability of assets, 4) conduct computer games to analyze alternatives, 5) work closely with CMARP on monitoring requirements, 6) develop tools to assist in managing EWA, 7) provide evaluations of baselines for water supply areas, and 8) in coordination with the Operations Group make recommendations to the EWAIDT on early development of assets in 1999-2000.

The five general areas that EWADT leader will direct are shown on the lower part of the organization chart: Coordination, Governance, Finance, Asset Agreement and 1999-2000 Actions. The leader may assign a small team and leader for each task. Specifics of each task are listed below:

Coordination- This task involves close coordination and integration of the EWA with other programs such as ERP and the CVPIA b(2) 800 TAF.

Governance- The leader will work with the large BDAC Governance subgroup and DNCT to develop the details of the interim governance plan.

Finance- This task provides input into the finance package for the CALFED program.

Assets Agreement- The leader will appoint a small team made up of stakeholders, state and federal water project and NoName group members to determine the technical feasibility of obtaining potential assets for the EWA. Availability, price, infrastructure needed to develop the asset, priority of use, and contractual needs are some of the variables that will be developed. The small team will also work closely with the implementation coordinators of each of the CALFED programs.

1999-2000 Actions- A small team consisting of Operations Group and DNCT members will recommend do the EWADT options for developing assets that may be used by the EWA at the start of Stage I, such as water purchases, varying the E/I ratio, purchasing groundwater storage rights.

VII. Milestones and Schedule

<u>Milestones</u>	<u>Schedule</u>
<i>Form the EWAIDT.....</i>	<i>Aug</i>
<i>Assign the EWAIDT Leader.....</i>	<i>Aug</i>
<i>Assign Task teams and leaders.....</i>	<i>Aug</i>
<i>Proposed Negotiation Process.....</i>	<i>Aug</i>
<i>Report on Asset feasibility to EWAIDT.....</i>	<i>Sep</i>
<i>Asset Sharing Analyses.....</i>	<i>Oct</i>
<i>Technical tools for implementation.....</i>	<i>Oct</i>
<i>EWA Strawman</i>	<i>Oct</i>
<i>Proposed EWA implementation Package.....</i>	<i>Nov</i>